

Maine State Income Tax Information

State Abbreviation:	ME
State Tax Withholding State Code:	23
Acceptable Exemption Form:	W-4 or W-4ME
Basis For Withholding:	State Exemptions
Acceptable Exemption Data:	S, M, N / Number of Allowances
TSP Deferred:	Yes
Special Coding:	Determine the Total Number Of Allowances Claimed field as follows: First Position - S = Single; M = Married (one income); N = Married, Filing Jointly (two incomes) Second and Third Positions - Enter the number of allowances claimed. If less than 10, precede with a zero.
Additional Information:	If the W-4 is used, code it as a state tax document. Maine allows for an N (Married, Filing Jointly), which is not on the W-4. The employee should write in Married - Filing Jointly on the W-4.



Withholding Formula ►(Effective Pay Period 10, 2006)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4 to determine the taxable income.
Exemption Allowance = \$2,850 x Number of Exemptions
6. Apply the taxable income computed in step 5 to the following table to determine the annual Maine income tax withholding.



Tax Withholding Table
Single
(Filing Status S)

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ ►2,300	\$ 0	plus 0.0%	\$ 0
2,300	6,850	0	plus 2.0%	2,300
6,850	11,400	91	plus 4.5%	6,850
11,400	20,550	296	plus 7.0%	11,400
20,550	and over	936	plus 8.5%	20,550◄

**Married
(Filing Status M)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$  5,750	\$ 0	plus 0.0%	\$ 0
5,750	14,900	0	plus 2.0%	5,750
14,900	24,000	183	plus 4.5%	14,900
24,000	42,300	593	plus 7.0%	24,000
42,300	and over	1,874	plus 8.5%	42,300 

**Married - Filing Jointly
(Filing Status N)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$  2,875	\$ 0	plus 0.0%	\$ 0
2,875	7,450	0	plus 2.0%	2,875
7,450	12,000	92	plus 4.5%	7,450
12,000	21,150	296	plus 7.0%	12,000
21,150	and over	937	plus 8.5%	21,150 

7. Divide the annual Maine income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.

Note: If the annual computed tax is \$40 or less, the withholding amount will be changed to zero.